UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________

Commission File Number 000-55596

MyDx, Inc.
(Exact Name of Registrant as Specified in its Charter)

Nevada	**99-0384160**
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
6335 Ferris Square, Suite B San Diego, CA	**92121**
Address of Principal Executive Offices	Zip Code

(800) 814-4550
Registrant's Telephone Number, Including Area Code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Accelerated filer ☐
Non-accelerated filer ☒
Smaller reporting company ☒
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

4,070,747,508 shares of common stock, par value $0.001 per share, issued and outstanding as ofJune 7, 2019.

MyDx, INC.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

MyDx, Inc.
Condensed Consolidated Balance Sheets

		March 31, 2019		December 31, 2018
		(unaudited)		
ASSETS				
Current assets:				
Cash	$	175,504	$	102,698
Inventory		157,956		114,031
Total current assets		333,460		216,729
Tooling in process		173,854		173,854
Property and equipment, net		20,589		26,748
Other assets		18,983		18,983
Total assets	$	546,886	$	436,314
LIABILITIES AND STOCKHOLDERS' DEFICIT				
Current liabilities:				
Accounts payable	$	1,168,852	$	1,101,853
Customer deposits		155,752		69,330
Accrued liabilities		734,179		692,071
Current portion of leases payable		2,756		2,756
Due to related party		1,075		1,075
Convertible notes payable, current, net of debt discount		595,499		436,177
Derivative liability		1,253,732		1,222,186
Preferred shares liability		2,850,401		2,850,401
Warrant liability		4,851,348		6,267,426
Total current liabilities		11,613,594		12,643,275
Total liabilities		11,613,594		12,643,275
Redeemable Series B Preferred stock, $0.001 par value; 10,000,000 shares authorized 107,000 and 107,000 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively		2,033,000		2,033,000
Commitments and contingencies				
Stockholders' deficit:				
Series A Preferred stock, $0.001 par value; 51 shares authorized 51 and 51 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively		-		-
Common stock, $0.001 par value, 10,000,000,000 shares authorized; 4,070,747,508 and 3,905,200,946 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively		4,070,747		3,905,201
Additional paid-in capital		22,500,405		21,820,069
Accumulated deficit		(39,670,860)		(39,965,231)
Total stockholders' deficit		(13,099,708)		(14,239,961)
Total liabilities and stockholders' deficit	$	546,886	$	436,314

The accompanying notes are an integral part of these condensed consolidated financial statements.

MYDX INC.
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended March 31, 2019	For the Three Months Ended March 31, 2018
Sales		
Product revenue	$ 1,251	$ 66,844
Product service revenue	288	5,455
Licensing revenue	-	4,130
Total sales	1,539	76,429
Cost of goods sold		
Product costs	16,883	26,338
Total cost of sales	16,883	26,338
Gross profit	(15,344)	50,091
Operating Expenses		
Research and development	13,935	233,090
Sales and marketing	54,290	52,253
General and administrative	426,922	245,647
Total operating expenses	495,147	530,990
Loss from operations	(510,491)	(480,899)
Other income (expense)		
Interest expense, net	(146,353)	(8,751)
Change in fair value of derivative liability	135,244	1,519,057
Change in fair value of warrant liability	815,970	-
Derivative expense	-	(154,002)
Gain on settlement of debt	-	4,500
Total Other income (expense)	804,861	1,360,804
Income before provision for income taxes	294,370	879,905
Provision for income taxes	-	-
Net Income	$ 294,370	$ 879,905
Dividends	10,700	-
Net Income attributable to common shareholders	$ 283,670	$ 879,905
Loss per share		
Basic	$ 0.00	$ 0.00
Diluted	$ (0.00)	$ (0.00)
Weighted average common shares outstanding - basic	4,043,156,414	1,878,730,874
Weighted average common shares outstanding - diluted	7,797,250,837	5,320,872,536

The accompanying notes are an integral part of these condensed consolidated financial statements.

MyDx, INC.
Statements of Stockholders' Deficit
For the Periods Ended March 31, 2019 and 2018
(unaudited)

	Convertible Preferred Stock Series A		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balances as of December 31, 2018	51	$ -	3,905,200,946	$ 3,905,201	$ 21,820,069	$ (39,965,231)	$ (14,239,961)
Issuance of common stock upon cashless exercise of warrants	-	-	165,546,562	165,546	680,336	-	845,882
Net income for three months ended March 31, 2019	-	-	-	-	-	294,370	294,370
Balance as of March 31, 2019	$ 51	$ -	$ 4,070,747,508	$ 4,070,747	$ 22,500,405	$ (39,670,860)	$ (13,099,708)

	Convertible Preferred Stock Series A		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balances as of December 31, 2017	51	$ -	1,859,397,541	$ 1,859,397	$ 19,818,536	$ (31,632,972)	$ (9,555,039)
Issuance of common stock for services rendered	-	-	30,000,000	30,000	120,000	-	150,000
Common stock issued to settle vendor liabilities	-	-	5,000,000	5,000	20,500	-	25,500
Stock based compensation	-	-	-	-	1,971	-	1,971
Net income for three months ended March 31, 2018	-	-	-	-	-	879,905	879,905
Balance as of March 31, 2018	51	$ -	1,894,397,541	$ 1,894,397	$ 19,961,007	$ (30,753,067)	$ (8,897,604)

The accompanying notes are an integral part of these condensed consolidated financial statements.

MyDx, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Three Months Ended March 31,	
	2019	**2018**
Cash flows from operating activities:		
Net income	$ 294,370	$ 879,905
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	6,159	18,893
Common stock issued in exchange for services	-	150,000
Change in fair value of derivative liability	(135,244)	(1,519,057)
Change in fair value of warrant liability	(815,970)	-
Derivative expense	-	154,002
Gain on settlement of vendor liabilities	-	(4,500)
Stock based compensation	245,775	151,971
Interest expense related to amortization of debt issuance costs and debt discount	126,112	-
Changes in assets and liabilities:		-
Inventory	(43,925)	10,071
Prepaid expenses and other assets	-	6,918
Tooling in process	-	(137,641)
Accounts payable and accrued liabilities	109,107	358,431
Customer deposits	86,422	(431)
Net cash used in operating activities	(127,194)	(81,438)
Cash flows from financing activities		
Proceeds from note payable, net of issuance costs	200,000	-
Net cash provided by financing activities	200,000	-
Net change in cash	72,806	(81,438)
Cash, beginning of period	102,698	119,028
Cash, end of period	$ 175,504	$ 37,590
Supplemental cash flow information:		
Interest paid	$ -	$ 13,755
Taxes paid	$ -	$ -
Supplemental disclosure of non-cash investing and financing activities:		
Stock issued for settlement of vendor liabilities	$ -	$ 25,500
Reclassification of warrant liability to additional paid-in capital upon exercise of warrant	$ 845,883	$ -

The accompanying notes are an integral part of these condensed consolidated financial statements.

MyDx, INC.
Notes to Condensed Consolidated Financial Statements

1. Organization

MyDx, Inc. (the "Company", "we", "us" or "our") (formally known as Brista Corp.) was incorporated under the laws of the State of Nevada on December 20, 2012. The Company's wholly owned subsidiary, CDx, Inc., was incorporated under the laws of the State of Delaware on September 16, 2013.

2. Nature of Business

MyDx is a science and technology company that develops and deploys products and services in the following focus areas:

1) **Consumer Products** – smart devices and consumables

2) **Data Analytics** – pre-clinical chemical analysis and patient feedback ecosystem

3) **Biopharmaceuticals** – identifying 'green Active Pharmaceutical Ingredients™, (gAPI™) and corresponding formulations

4) **Software as a Service (SaaS)** – Software services for prescribers, patient groups, cultivators, and regulators

We are committed to addressing areas of critical national need to promote public safety, transparency and regulation in the various markets we serve.

The Company's first product, MyDx®, also known as "My Diagnostic", is a patented multiuse hand-held chemical analyzer made for consumers and professional users which feeds our data analytics platform and SaaS business. MyDx is intended to allow consumers to Trust & Verify® what they put into their mind and body by using our science and technology to test for pesticides in food, chemicals in water, toxins in the air, and the safety and potency of cannabis samples, which is our initial focus.

3. Going Concern

The Company's condensed consolidated financial statements have been prepared assuming it will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the condensed consolidated Financial Statements, the Company had an accumulated deficit at March 31, 2019 and a net cash used in operating activities for the three months ended March 31, 2019. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company is attempting to further implement its business plan and generate sufficient revenues; however, its cash position may not be sufficient to support its daily operations. The Company has a limited operating history and its prospects are subject to risks, expenses and uncertainties frequently encountered by early-stage companies. These risks include, but are not limited to, the uncertainty of availability of financing and the uncertainty of achieving future profitability. Management anticipates that the Company will be dependent, for the near future, on investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise funds through the capital markets. There can be no assurance that such financing will be available at terms acceptable to the Company, if at all. Failure to generate sufficient cash flows from operations, raise capital or reduce certain discretionary spending could have a material adverse effect on the Company's ability to achieve its intended business objectives. We reported negative cash flow from operations for the three months ended March 31, 2019. It is anticipated that we will continue to report negative operating cash flow in future periods, likely until one or more of our products generate sufficient revenue to cover our operating expenses. If any of the warrants are exercised, all net proceeds of the warrant exercise will be used for working capital to fund negative operating cash flow.

Our cash balance of $175,504 at March 31, 2019 will not be sufficient to fund our operations for the next 12 months. Additionally, if we are unable to generate sufficient revenues to pay our expenses, we will need to raise additional funds to continue our operations. We have historically financed our operations through private equity and debt financings. We do not have any commitments for financing at this time, and financing may not be available to us on favorable terms, if at all. If we are unable to obtain debt or equity financing in amounts sufficient to fund our operations, if necessary, we will be forced to suspend or curtail our operations. In that event, current stockholders would likely experience a loss of most or all of their investment. Additional funding that we do obtain may be dilutive to the interests of existing stockholders.

The condensed consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

4. Summary of Significant Accounting Policies

Basis of Presentation - Unaudited Interim Financial Information

The accompanying unaudited interim condensed consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC") with respect to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim condensed consolidated financial statements furnished reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's annual report on Form 10-K for the year ended December 31, 2018.

Use of Estimates

The preparation of the consolidated finance statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Such management estimates include allowance for doubtful accounts, estimates of product returns, warranty expense, inventory valuation, valuation allowances of deferred taxes, stock-based compensation expenses and fair value of warrants and derivatives. The Company bases its estimates on historical experience and on assumptions that it believes are reasonable. The Company assesses these estimates on a regular basis; however, actual results could materially differ from those estimates.

Concentration of Risk Related to Third-party Suppliers

We depend on a limited number of third-party suppliers for the materials and components required to manufacture our products. A delay or interruption by our suppliers may harm our business, results of operations, and financial condition, and could also adversely affect our future profit margins. In addition, the lead time needed to establish a relationship with a new supplier can be lengthy, and we may experience delays in meeting demand in the event we must change or add new suppliers. Our dependence on our suppliers exposes us to numerous risks, including but not limited to the following: our suppliers may cease or reduce production or deliveries, raise prices, or renegotiate terms; we may be unable to locate a suitable replacement supplier on acceptable terms or on a timely basis, or at all; and delays caused by supply issues may harm our reputation, frustrate our customers, and cause them to turn to our competitors for future needs.

Fair Value of Financial Instruments

The Company recognizes and discloses the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). Each level of input has different levels of subjectivity and difficulty involved in determining fair value.

Level 1	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurable date.
Level 2	Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
Level 3	Unobservable inputs that reflect management's best estimate of what participants would use in pricing the asset or liability at the measurement date.

The carrying amounts of the Company's financial assets and liabilities, including cash, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the Company's loan payable and convertible notes payable approximates fair value based upon borrowing rates currently available to the Company for loans with similar terms.

Business Segments

ASC 280 defines operating segments as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performances. Currently, ASC 280 has no effect on the Company's condensed consolidated financial statements as substantially all of the Company's operations are conducted in one industry segment.

Cash

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. As of March 31, 2019 and December 31, 2018, the Company held no cash equivalents.

The Company's policy is to place its cash with high credit quality financial instruments and institutions and limit the amounts invested with any one financial institution or in any type of instrument. Deposits held with banks may exceed the amount of insurance provided on such deposits. The Company has not experienced any losses on its deposits of cash.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and are not interest bearing. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company makes ongoing assumptions relating to the collectability of its accounts receivable in its calculation of the allowance for doubtful accounts. In determining the amount of the allowance, the Company makes judgments about the creditworthiness of customers based on ongoing credit evaluations and assesses current economic trends affecting its customers that might impact the level of credit losses in the future and result in different rates of bad debts than previously seen. The Company also considers its historical level of credit losses. As of March 31, 2019 and December 31, 2018, there was an allowance for doubtful accounts of $27,851 and $27,851 respectively.

During the three months ended March 31, 2019 and 2018 the Company recorded a bad debt expense of $0 and $0, respectively.

Inventory

Inventory is stated at the lower of cost or market value. Inventory is determined to be salable based on demand forecast within a specific time horizon, generally eighteen months or less. Inventory in excess of salable amounts and inventory which is considered obsolete based upon changes in existing technology is written off. At the point of recognition, a new lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that new cost basis.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided using the straight-line method over the useful life as follows:

Internal-use software	3 years
Equipment	3 to 5 years
Computer equipment	3 to 7 years
Furniture and fixtures	5 to 7 years
Leasehold improvements	Shorter of life of asset or lease

Accounting for Website Development Costs

The Company capitalizes certain external and internal costs, including internal payroll costs, incurred in connection with the development of its website. These costs are capitalized beginning when the Company has entered the application development stage and cease when the project is substantially complete and is ready for its intended use. The website development costs are amortized using the straight-line method over the estimated useful life of three years.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheets.

Debt Discount and Debt Issuance Costs

Debt discounts and debt issuance costs incurred in connection with the issuance of debt are capitalized and amortized to interest expense based on the related debt agreements using the straight-line method. Unamortized discounts are netted against long-term debt.

Derivative Liability

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Paragraph 815-15-25-1 the conversion feature and certain other features are considered embedded derivative instruments, such as a conversion reset provision, a penalty provision and redemption option, which are to be recorded at their fair value as its fair value can be separated from the convertible note and its conversion is independent of the underlying note value. The Company records the resulting discount on debt related to the conversion features at initial transaction and amortizes the discount using the effective interest rate method over the life of the debt instruments. The conversion liability is then marked to market each reporting period with the resulting gains or losses shown in the statements of operations.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The Company follows ASC Section 815-40-15 ("Section 815-40-15") to determine whether an instrument (or an embedded feature) is indexed to the Company's own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions. The adoption of Section 815-40-15 has affected the accounting for (i) certain freestanding warrants that contain exercise price adjustment features and (ii) convertible bonds issued by foreign subsidiaries with a strike price denominated in a foreign currency.

The Company evaluates its convertible debt, options, warrants or other contracts, if any, to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 810-10-05-4 and Section 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as either an asset or a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the consolidated statement of operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise or cancellation and then that the related fair value is reclassified to equity.

The Company utilizes the binomial option pricing model to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The binomial option pricing model includes subjective input assumptions that can materially affect the fair value estimates. The expected volatility is estimated based on the most recent historical period of time equal to the remaining contractual term of the instrument granted.

Revenue Recognition

The Company adopted ASC 606 effective January 1, 2018 using the modified retrospective method which would require a cumulative effect adjustment for initially applying the new revenue standard as an adjustment to the opening balance of retained earnings and the comparative information would not require to be restated and continue to be reported under the accounting standards in effect for those periods.

Based on the Company's analysis the Company did not identify a cumulative effect adjustment for initially applying the new revenue standards. The Company principally generates revenue through providing product, services and licensing revenue

The adoption of ASC 606 represents a change in accounting principle that will more closely align revenue recognition with the delivery of the Company's services and will provide financial statement readers with enhanced disclosures. In accordance with ASC 606, revenue is recognized when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these services. To achieve this core principle, the Company applies the following five steps:

1) *Identify the contract with a customer*

A contract with a customer exists when (i) the Company enters into an enforceable contract with a customer that defines each party's rights regarding the services to be transferred and identifies the payment terms related to these services, (ii) the contract has commercial substance and, (iii) the Company determines that collection of substantially all consideration for services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer.

2) *Identify the performance obligations in the contract*

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised services, the Company must apply judgment to determine whether promised services are capable of being distinct and distinct in the context of the contract. If these criteria are not met the promised services are accounted for as a combined performance obligation.

3) *Determine the transaction price*

The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring services to the customer. To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of the Company's contracts as of December 31, 2018 contained a significant financing component. Determining the transaction price requires significant judgment, which is discussed by revenue category in further detail below.

4) *Allocate the transaction price to performance obligations in the contract*

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. However, if a series of distinct services that are substantially the same qualifies as a single performance obligation in a contract with variable consideration, the Company must determine if the variable consideration is attributable to the entire contract or to a specific part of the contract. For example, a bonus or penalty may be associated with one or more, but not all, distinct services promised in a series of distinct services that forms part of a single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price basis unless the transaction price is variable and meets the criteria to be allocated entirely to a performance obligation or to a distinct service that forms part of a single performance obligation. The Company determines standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

5) *Recognize revenue when or as the Company satisfies a performance obligation*

The Company satisfies performance obligations either over time or at a point in time. Revenue is recognized at the time the related performance obligation is satisfied by transferring a promised service to a customer.

	Three Months ended March 31, 2019			**Three Months ended March 31, 2018**		
	United States	**International**	**Total**	**United States**	**International**	**Total**
Product Revenue	494	757	1,251	39,666	27,178	66,844
Product Service Revenue	288	-	288	3,468	1,987	5,455
Licensing Revenue	-	-	-	4,130		4,130
	782	757	1,539	47,264	29,165	76,429

Product revenue

Revenue from multiple-element arrangements is allocated among separate elements based on their estimated sales prices, provided the elements have value on a stand-alone basis.

Licensing revenue

Some of the Company's revenues are generated from software-as-a-service ("SaaS") subscription offerings and related product support and maintenance. SaaS revenues stem mainly from annual subscriptions and are recorded evenly over the term of the subscription. Any customer payments received in advance are deferred until they are earned. Consulting and training revenues are recognized as work is performed.

Warranty

The Company provides a limited warranty for its analyzers and sensors for a period of 1 year from the date of shipment that such goods will be free from material defects in material and workmanship. The Company has assessed the historical claims and, to date, warranty claims have not been significant. The Company will continue to assess the need to record a warranty accrual at the time of sale going forward.

Product Returns

For any product in its original, undamaged and unmarked condition, with its included accessories and packaging along with the original receipt (or gift receipt) within 30 days of the date the customer receives the product, the Company will exchange it or offer a refund based upon the original payment method.

Customer Deposits

The Company accounts for funds received from crowdfunding campaigns and pre-sales as a liability on the consolidated balance sheets as the investments made entitle the investor to apply these funds towards future shipments once the product has been developed and available for commercial use.

Research and Development Costs

Research and development costs are charged to expense as incurred. These costs consist primarily of salaries and direct payroll-related costs. It also includes purchased materials and services provided by independent contractors, software developed by other companies and incorporated into or used in the development of our final products. Research and development expenses for the three months ended March 31, 2019 and 2018 were $13,935 and $233,090, respectively.

Advertising Costs

Advertising costs are charged to sales and marketing expenses and general and administrative expenses as incurred. Advertising expenses, which are recorded in sales and marketing and general and administrative expenses, totaled $54,290 and $37,253 for the three months ended March 31, 2019 and 2018, respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic 718, "*Compensation – Stock Compensation"* ("ASC 718") which establishes financial accounting and reporting standards for stock-based employee compensation. It defines a fair value-based method of accounting for an employee stock option or similar equity instrument. Accordingly, stock-based compensation is recognized in the consolidated statements of operations as an operating expense over the requisite service period. The Company uses the Black-Scholes option pricing model adjusted for the estimated forfeiture rate for the respective grant to determine the estimated fair value of stock-based compensation arrangements on the date of grant and expenses this value ratably over the requisite service period of the stock option. The Black-Scholes option pricing model requires the input of highly subjective assumptions. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models may not provide a reliable single measure of the fair value of the Company's stock options. In addition, management will continue to assess the assumptions and methodologies used to calculate estimated fair value of stock-based compensation. Circumstances may change and additional data may become available over time, which could result in changes to these assumptions and methodologies for future grants, and which could materially impact the Company's fair value determination.

Collaborative Arrangements

The Company and its collaborative partners are active participants in the collaborative arrangements and both parties are exposed to significant risks and rewards depending on the commercial success of the activity. The Company records all expenses related to collaborative arrangements as research and development expense in the consolidated statements of operations as incurred.

Earnings per Share

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents.

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income (loss) attributable to common stockholders per common share.

	For the Three Months Ended	
	March 31, 2019	**March 31, 2018**
Numerator:		
Net income/(loss) attributable to common stockholders	$ 294,370	$ 879,905
Effect of dilutive securities:	-	-
Convertible note - Interest Expense	20,241	8,751
Change in Warrant liability	(815,970)	-
Net Change in derivative liabilities - convertible payables	(135,244)	(1,365,055)
Diluted net income (loss)	$ (636,603)	$ (476,399)
Denominator:		
Weighted average common shares outstanding - basic	4,043,156,414	1,878,730,874
Dilutive securities (a):		
Series A Preferred	51	51
Series B Preferred	1,070,000,000	2,967,000,000
Convertible notes payable	738,212,072	128,586,957
Convertible accounts payable	330,000,000	346,554,654
Options	-	-
Warrants	1,615,879,300	-
Weighted average common shares outstanding and assumed conversion - diluted	7,797,250,837	5,320,872,536
Basic net income (loss) per common share	$ 0.00	$ 0.00
Diluted net loss per common share	$ (0.00)	$ (0.00)
(a) - Anti-dilutive securities excluded:	9,067,645	261,835,149

Recent Accounting Guidance Adopted

In February 2016, the FASB issued ASU 2016-02 "*Leases"* (Topic 842) which amended guidance for lease arrangements to increase transparency and comparability by providing additional information to users of financial statements regarding an entity's leasing activities. Subsequent to the issuance of Topic 842, the FASB clarified the guidance through several ASUs; hereinafter the collection of lease guidance is referred to as ASC 842. The revised guidance seeks to achieve this objective by requiring reporting entities to recognize lease assets and lease liabilities on the balance sheet for substantially all lease arrangements.

On January 1, 2019, the Company adopted ASC 842 using the modified retrospective approach. Results for the three months ended March 31, 2019 are presented under ASC 842, while prior period amounts were not adjusted and continue to be reported in accordance with the legacy accounting guidance under ASC Topic 840, *Leases*.

As part of the adoption we elected the practical expedients permitted under the transition guidance within the new standard, which among other things, allowed us to:

1. Continue applying our current policy for accounting for land easements that existed as of, or expired before, January 1, 2019.

2. Not separate non-lease components from lease components and instead to account for each separate lease component and the non-lease components associated with that lease component as a single lease component.

3. Not to apply the recognition requirements in ASC 842 to short-term leases.

4. Not record a right of use asset or right of use liability for leases with an asset or liability balance that would be considered immaterial.

5. Inventory

Inventory as of March 31, 2019 and December 31, 2018 is as follows:

	March 31, 2019	December 31, 2018
Finished goods	$ 7,511	$ 9,781
Raw materials	150,445	104,250
	$ 157,956	$ 114,031

6. Debt

Convertible Notes

The following table shows the outstanding balance as of March 31, 2019 and December 31, 2018 respectively.

	March 31, 2019	December 31, 2018
Convertible Note - February 6, 2017	265,750	265,750
Convertible Note - July 23, 2018	25,000	25,000
Convertible Note – October 1, 2018	74,800	74,800
Convertible Note – October 4, 2018	73,500	73,500
Convertible Note – October 11, 2018	283,500	283,500
Convertible Note – December 19, 2018	82,000	82,000
Convertible Note – March 7, 2019	210,000	-
	1,014,550	804,550
Less: Debt Discount	(419,051)	(368,373)
Total	$ 595,499	$ 436,177

Amendment 2

On December 27, 2017 the Company, Hasfer, Inc. and Legacy, entered into an amendment to the note. The note was modified as follows:

- A portion of the outstanding principal and interest was assigned to Legacy.

- The company received proceeds of $48,500.

- Fees related to the amendment totaled $1,500. The fees were recorded as a loss on extinguishment of debt.

All remaining terms of the Revolving note remained the same.

In accordance with ASC 470, since the present value of the cash flows under the new debt instrument was at least ten percent different from the present value of the remaining cash flows under the terms of the original debt instrument, the Company accounted for the amendment to SPA as a debt extinguishment. Accordingly, the Company recorded a loss on extinguishment of debt of $155,086.

During the year ended December 31, 2017 Hasfer converted $236,250 of the outstanding principal into 99,891,304 share of the company's common stock.

As of December 31, 2017 and 2016 the balance of this agreement was $295,750 and $0 respectively.

During the year ended December 31, 2018 Hasfer, Inc and Carte Blanche, LLC entered into a note purchase agreement. Hasfer assigned $60,000 to Carte Blanche, LLC. The Company received additional proceeds of $30,000.

During the year ended the lenders converted $60,000 of the outstanding principal into 26,086,956 shares of the Company's common stock.

On July 23, 2018 the Company issued convertible notes to third party lenders totaling $25,000. These notes accrue interest at a rate of 12% per annum and mature with interest and principal due July 23, 2019. The note and accrued interest are convertible at a conversion price equal to a 30% discount of the Company's common stock prior day close price.

Due to the fact that these convertible notes have an option to convert at a variable amount, they are subject to derivative liability treatment. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The conversion feature has been measured at fair value using a Binomial Option Pricing model at the issuance date and the period end. The conversion feature of the convertible note gave rise to a derivative liability of $19,070 which was recorded as a debt discount. The debt discount is charged to other expense ratably over the term of the convertible note

On July 23, 2018 the Company issued convertible notes to third party lenders totaling $25,000. The note accrues interest at a rate of 12% per annum and mature with interest and principal due July 23, 2019. The note and accrued interest are convertible at a conversion price equal to a 30% discount of the Company's common stock prior day close price.

Due to the fact that these convertible notes have an option to convert at a variable amount, they are subject to derivative liability treatment. The Company has applied ASC 815, due to the potential for settlement in a variable quantity of shares. The conversion feature has been measured at fair value using a Binomial Option Pricing model at the issuance date and the period end. The conversion feature of the convertible note gave rise to a derivative liability of $19,070 which was recorded as a debt discount. The debt discount is charged to other expense ratably over the term of the convertible note.

Geneva Securities Purchase Agreement

Effective October 1, 2018, the Company entered into a securities purchase agreement (the "Geneva Purchase Agreement") with Geneva Roth Remark Holdings, Inc., ("Geneva"), pursuant to which Geneva purchased a 10% unsecured convertible promissory note (the "Geneva Note") from the Company in the aggregate principal amount of $74,800, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva.

The purchase price of $74,800 of the Geneva Note was paid in cash by Geneva on October 2, 2018. After payment of transaction-related expenses, net proceeds to the Company from the Geneva Note totaled $65,000.

The maturity date of the Geneva Note is October 1, 2019 (the "Geneva Maturity Date"). The Geneva Note shall bear interest at a rate of ten percent (10%) per annum (the "Geneva Interest Rate"), which interest shall be paid by the Company to Geneva in shares of common stock at any time Geneva sends a notice of conversion to the Company. Geneva is entitled to, at its option, convert all or any amount of the principal face amount and any accrued but unpaid interest of the Geneva Note into shares of the Company's common stock, at any time after March 20, 2019, at a conversion price for each share of common stock equal to 71% multiplied by the average of the lowest three (3) trading prices (as defined in the Geneva Purchase Agreement) for the common stock during the fifteen (15) Trading Day period (as defined in the Geneva Purchase Agreement) ending on the latest complete trading day prior to the conversion date.

The Geneva Note may be prepaid until 170 days from the issuance date in accordance with its terms.

The Company shall reserve 270,905,432 of its authorized and unissued common stock (the "Geneva Reserved Amount"), free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of the Geneva Note.

GS Capital Securities Purchase Agreement

Effective October 4, 2018 the Company entered into a securities purchase agreement (the "GSC Purchase Agreement") with GS Capital Partners LLC, ("GSC", and together with Geneva, the "Investors"), pursuant to which GSC purchased a 8% unsecured convertible promissory note from the Company in the aggregate principal amount of $75,000 (the "GSC Note"), such principal and the interest thereon convertible into shares of the Company's common stock at the option of GSC.

The purchase price of $75,000 of the GSC Note was paid in cash by GSC on October 5, 2018. After payment of transaction-related expenses, net proceeds to the Company from the First GSC Note totaled $68,500.

The maturity date of the GSC Note is October 4, 2019 (the "the GSC Maturity Date"). The GSC Note shall bear interest at a rate of eight percent (8%) per annum (the "GSC Interest Rate"), which interest shall be paid by the Company to GSC in shares of common stock at any time GSC sends a notice of conversion to the Company. GSC is entitled to, at its option, convert all or any amount of the principal face amount and any accrued but unpaid interest of the GSC Note into shares of the Company's common stock, at any time, at the conversion price specified in the for each share of common stock equal to 71% of the average of the three lowest closing bid prices of the common stock for the fifteen prior trading days including the day upon which a notice of conversion is received by the Company or its transfer agent. In connection with this note the Company recorded a $58,855 debt discount.

The GSC Note may be prepaid until 180 days from the issuance date in accordance with its terms.

The Company shall reserve 211,267,000 of its authorized and unissued common stock (the "GSC Reserved Amount"), free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of the GSC Note.

Eagle and GSC Securities Purchase Agreements

Effective October 11, 2018, the Company entered into a securities purchase agreement (the "Eagle Purchase Agreement") with Eagle Equities, LLC ("Eagle"), pursuant to which Eagle purchased an 8% unsecured convertible promissory note (the "Eagle Note") from the Company in the aggregate principal amount of $181,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle.

Effective October 11, 2018 the Company entered into a securities purchase agreement (the "GSC Purchase Agreement" and together with the Eagle Purchase Agreement, the "SPAs") with GSC (together with Eagle, the "Investors"), pursuant to which GSC purchased an 8% unsecured convertible promissory note (the "GSC Note" and together with the Eagle Note, the "Notes") from the Company in the aggregate principal amount of $102,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GSC.

The purchase price of $181,500, and of $102,000, of the Eagle Note and the GSC Note, respectively, was paid in cash by the Investors on October 11, 2018. After payment of transaction-related expenses, net proceeds to the Company from the Eagle Note and the GSC Note totaled $157,000 and $90,000, respectively.

The maturity date of the Notes is October 11, 2019 (the "Maturity Date"). The Notes shall bear interest at a rate of eight percent (8%) per annum (the "Interest Rate"), which interest shall be paid by the Company to the Investors in shares of common stock at any time Eagle or GSC sends a notice of conversion to the Company (the "Notice of Conversion"). The Investors are entitled to, at their option, convert all or any amount of the principal face amount and any accrued but unpaid interest of their respective Notes into shares of the Company's common stock, at any time, at a conversion price for each share of common stock equal to 65% multiplied by the lowest closing bid price of the common stock as reported on the marketplace upon which the Company's shares are traded during the fifteen (15) trading day period ending on the day upon which a Notice of Conversion is received by the Company. In connection with this note, the Company recorded a $149,702 and $85,085 debt discounts.

The Notes may be prepaid until 180 days from the issuance date in accordance with its terms.

The Company shall reserve 532,000,000, and 299,000,000, of its authorized and unissued common stock free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of the Eagle Note (the "Eagle Reserved Amount"), and the GSC Note (the "GSC Reserved Amount" and together with the Eagle Reserved Amount, the "Total Reserved Amount"), respectively.

Effective December 19, 2018 the Company entered into a securities purchase agreement (the "GSC Purchase Agreement") with GS Capital Partners LLC, ("GSC", and together with Geneva, the "Investors"), pursuant to which GSC purchased a 8% unsecured convertible promissory note from the Company in the aggregate principal amount of $82,000 (the "GSC Note"), such principal and the interest thereon convertible into shares of the Company's common stock at the option of GSC.

The purchase price of $82,000 of the GSC Note was paid in cash by GSC on December 19, 2018. After payment of transaction-related expenses, net proceeds to the Company from the First GSC Note totaled $76,000.

The maturity date of the GSC Note is December 19, 2019 (the "the GSC Maturity Date"). The GSC Note shall bear interest at a rate of eight percent (8%) per annum (the "GSC Interest Rate"), which interest shall be paid by the Company to GSC in shares of common stock at any time GSC sends a notice of conversion to the Company. GSC is entitled to, at its option, convert all or any amount of the principal face amount and any accrued but unpaid interest of the GSC Note into shares of the Company's common stock, at any time, at the conversion price specified in the for each share of common stock equal to 67% of the average of the three lowest closing bid prices of the common stock for the fifteen prior trading days including the day upon which a notice of conversion is received by the Company or its transfer agent. In connection with this note, the Company recorded a $76,000 debt discount.

The GSC Note may be prepaid until 180 days from the issuance date in accordance with its terms.

The Company shall reserve 211,267,000 of its authorized and unissued common stock (the "GSC Reserved Amount"), free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of the GSC Note.

GS Capital Agreement

Effective March 7, 2019 the Company entered into a securities purchase agreement with GS Capital Partners, pursuant to which GSC purchased a 8% unsecured convertible promissory note from the Company in aggregate principal amount of $210,000, such principal and interest thereon convertible into shares of the Company's common stock at the option of GSC.

The purchase price of $210,000 of the GS Capital note was paid in cash by GS Capital on March 11, 2019. After payment of transaction-related expenses, net proceeds to the Company from the note totaled $200,000.

The maturity date of the GS Capital note is March 7, 2020. The GS Capital Note shall bear interest at a rate of eight percent (8%) per annum which interest shall be paid by the Company to GS Capital in shares of common stock at any time GSC sends a notice of conversion to the Company. GSC is entitled to, at its option, convert all or any amount of the principal face amount and any accrued but unpaid interest of the GSC Note into shares of the Company's common stock, at any time, at the conversion price specified in the for each share of common stock equal to 65% of the average of the three lowest closing bid prices of the common stock for the fifteen prior trading days including the day upon which a notice of conversion is received by the Company or its transfer agent. In connection with this note, the Company recorded a $167,296 debt discount.

7. Derivative Liabilities

The Company has identified derivative instruments arising from embedded conversion features in the Company's convertible notes payable and accounts payable at March 31, 2019.

The following summarizes the Binomial-lattice model assumptions used to estimate the fair value of the derivative liability and warrant liability at the date of issuance and for the convertible notes converted during the three months ended March 31, 2019.

	Low	High
Annual dividend rate	0%	0%
Expected life in years	.32	1.00
Risk-free interest rate	2.40%	2.44%
Expected volatility	103%	114%

Risk-free interest rate: The Company uses the risk-free interest rate of a U.S. Treasury Note with a similar term on the date of the grant.

Dividend yield: The Company uses a 0% expected dividend yield as the Company has not paid dividends to date and does not anticipate declaring dividends in the near future.

Volatility: The volatility was estimated using the historical volatilities of the Company's common stock.

Remaining term: The Company's remaining term is based on the remaining contractual maturity of the convertible notes payable and accounts payable.

The following are the changes in the derivative liabilities during the three months ended March 31, 2019.

	Three Months Ended March 31, 2019		
	Level 1	**Level 2**	**Level 3**
Derivative Liability as of January 1, 2019			1,222,186
Initial derivative expense			166,790
Gain on changes in fair value			(135,244)
Derivative liabilities as of March 31, 2019			1,253,732

The following are the changes in the warrant liabilities during the three months ended March 31, 2019.

	Three Months Ended March 31, 2019		
	Level 1	**Level 2**	**Level 3**
Balance, January 1, 2019	$ -	$ -	$ 6,267,426
Change due to exercise of warrants			(845,883)
Gain on changes in fair value	-	-	(815,970)
Accretion of warrant expense	-	-	245,775
Warrant liabilities as March 31, 2019	$ -	$ -	$ 4,851,348

8. Stockholders' Deficit

Preferred Stock

On September 30, 2016, the Company filed a Certificate of Amendment to Articles of Incorporation with the Secretary of State of the State of Nevada to authorize for issuance ten million (10,000,000) shares of blank check preferred stock, par value $0.001 ("Blank Check Preferred Stock") as included on Form 8-K filed with the SEC on October 4, 2016.

Series A Preferred Stock

As of March 31, 2019, and March 31, 2018, the Company has designated 51 shares of Series A Preferred Stock par value $0.001 and 51 shares are issued and outstanding. The Series A Preferred Stock can convert into common stock at a 1:1 ratio. Each one (1) share of the Series A Preferred shall have voting rights equal to (x) 0.019607 multiplied by the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote (the "Numerator"), divided by (y) 0.49, minus (z) the Numerator. For purposes of illustration only, if the total issued and outstanding shares of Common Stock eligible to vote at the time of the respective vote is 5,000,000, the voting rights of one share of the Series A Preferred Stock shall be equal to 102,036 (0.019607 x 5,000,000) / 0.49) – (0.019607 x 5,000,000) = 102,036). On December 23, 2016 the 51 shares were issued to Mr. Yazbeck, the Company's sole officer and the sole member of the Board. Mr. Yazbeck, via his ownership of the 51 shares of the Series A Preferred, has control of the majority of the Company's voting stock.

Series B Preferred Stock

The Series B Preferred is convertible into shares of Common Stock at a conversion price of $0.0001. Holders of the Series B Preferred are entitled to receive dividends annually equal to $0.10 for each share of Series B Preferred held. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Series B Preferred then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, before any payment shall be made to the holders of Common Stock. Until such time as there are fewer than 20,000 shares of Series B Preferred outstanding, the Company needs to obtain the majority votes of the holders of Series B Preferred with regard to certain actions. Holders of Series B Preferred shares are entitled to one vote for each share held, are entitled to elect up to two members to the Board, and, absent such election, are provided certain voting and veto rights with regard to any vote by the Board.

On July 31, 2018, the Company agreed to eventually issue 38,272 shares of Series B Preferred at a value of $1.00 per Series B Preferred share to settle outstanding vendor liability. The shares of Series B Preferred will be issued upon an increase in the authorized shares of Series B Preferred. The Company also agreed to the assignment or issuance of three warrants giving the holder the right to purchase seven and one half percent (7.5%) of the Company's shares of Common Stock issued and outstanding at the time of exercise and having an exercise price of $0.001 per share. This form of warrant is referred to herein as the "7.5% Warrant." The Company agreed to the assignment of one previously issued 7.5% Warrant to an entity related to BCI Advisors. This 7.5% Warrant will expire on July 31, 2020. In addition, the Company also agreed to the assignment of another previously issued 7.5% Warrant to an entity related to BCI Advisors and agreed to extend the expiration date from March 1, 2019 to July 31, 2020. Finally, the Company agreed to issue a new 7.5% Warrant which will expire on July 31, 2020. The Company currently does not have enough authorized shares to issue the Series B Preferred shares and therefore, have recorded them as a liability at their fair value of $1,262,976.

On July 30, 2018, the Company agreed to eventually issue 45,355 shares of the Company's Series B Preferred at a value of $1.00 per Series B Preferred share to settle outstanding vendor liability. The Company also agreed to issue a 7.5% Warrant with an expiration date of July 31, 2020. The Company currently does not have enough authorized shares to issue the Series B shares and therefore, have recorded them as a liability at their fair value of $1,587,425.

During the year ended December 31, 2018 investors converted 189,700 Series B Preferred stock in to 1,897,000,000 shares of common stock.

Common Stock

On September 30, 2016, the Company amended articles of incorporation to increase the number of authorized commons shares to 10,000,000,000 as included on Form 8-K filed with the SEC on October 4, 2016.

On January 15, 2019, the Company issued 165,546,562 shares of common stock for a cashless exercise on warrants.

9. Commitments and Contingencies

Distribution and License Agreement and Joint Development Agreements

The Company entered into a Distribution and License Agreement with a third-party for the purpose of developing a sensor array to be used in the Company's product. The Distribution and License Agreement has an initial term of ten years, but can be terminated earlier if the project does not meet the specifications of the Company. The Company will obtain exclusive rights to sell and distribute once a successful sensor prototype is developed. In exchange for a functional prototype, the Company will pay the third-party a 7% royalty on net sales. During the three months ended March 31, 2019, the Company did not incur any development costs related to the Distribution and License Agreement.

On November 1, 2013, the Company entered into a two-year Joint Development Agreement (the "Agreement") with an unrelated third-party to develop chemical sensors and peripheral sensing equipment and software for the detection and characterization of cannabis and compounds associated with cannabis.

The Agreement provides for, among other things, any arising intellectual property rights (as defined) outside of the field (as defined), and any arising intellectual property rights relating to improvements to detection materials shall belong to the Joint Venture Developer.

The Agreement also provides that any arising intellectual property rights other than those covered above shall belong to the Company. To the extent that it is necessary to do so to enable the Company to use and exploit its respective arising intellectual property rights, the Joint Developer grants the Company a perpetual, irrevocable, exclusive, and royalty free license (including the right to assign the license and to grant sub-licenses) to use and exploit the Joint Developer's arising intellectual property rights in the field. Under the terms of the Agreement, either party may cancel the Agreement as the specific tasks provided for in the Agreement have been completed or for causes specifically provided for in the Agreement.

On May 19, 2015, the Company entered into an Exclusive Patent Sublicense Agreement (the "License Agreement") with Next Dimension Technologies, Inc. ("NDT"). The License Agreement grants the Company a worldwide right to the patents licensed by NDT from the California Institute of Technology. The License Agreement grants both exclusive and non-exclusive patent rights. The license granted in the License Agreement permits the Company to make, have made, use, sell and offer for sale sublicensed products in the field of use. The License Agreement continues until the expiration, revocation, invalidation or enforceability of the rights licensed. The License Agreement provides for the payment of a license fee and royalty payments by CDx to NDT. The License Agreement also contains minimum royalty payments and milestone payments by CDx to NDT. NDT has a right to terminate the License Agreement in the event of an uncured breach by CDx; the insolvency or bankruptcy of CDx; or if CDx does not meet certain productivity milestones. The License Agreement also contains representations, warranties and indemnity obligations for each of CDx and NDT. In connection with the License Agreement, on May 19, 2015, CDx and NDT also executed an Amended Amendment No. 4 (the "Amended Amendment No. 4") to the Joint Development Agreement, dated as of November 1, 2013, between CDx and NDT, which extended the date of negotiation for the License Agreement through May 19, 2015.

Litigation

In the normal course of business, the Company may be subject to other legal proceedings, lawsuits and other claims. Although the ultimate aggregate amount of probable monetary liability or financial impact with respect to these matters is subject to many uncertainties and is therefore not predictable with assurance, the Company's management believes that any monetary liability or financial impact to the Company from these other matters, individually and in the aggregate, would not be material to the Company's financial condition, results of operations or cash flows.

However, there can be no assurance with respect to such result, and monetary liability or financial impact to the Company from these other matters could differ materially from those projected.

10. Subsequent Events

LG Note

On May 2, 2019, the Company entered into a securities purchase agreement with LG Capital Funding, LLC (“LG Capital”) for the sale of two 8% convertible redeemable notes in the original principal amount of $63,945, or an aggregate principal amount of $127,890 (the “LG Note”), which included an aggregate payment of $126,000 to the Company at an original issue discount of $1,890.

The LG Note bears interest at the rate of 8% per annum. All interest and principal must be repaid on May 2, 2020. The LG Note is convertible into common stock at any time after the six-month anniversary of the LG Note, at LG Capital’s option, at a price equal to 65% of the average of the two lowest closing trading prices of the common stock during the fifteen-day period prior to conversion. The LG Note may not be prepaid more than 180 days prior to its maturity date. In the event the Company prepays the LG Note in full during the 180 days prior to its maturity date, the Company must pay off all principal, interest and any other amounts owing multiplied by a premium ranging from 5% to 30%.

LG Capital has agreed to restrict its ability to convert the LG Note and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of common stock. The LG Note is a debt obligation arising other than in the ordinary course of business which constitutes a direct financial obligation of the Company.

The LG Note contains default events which, if triggered and not timely cured (if curable) by the Company, will result in the option by LG Capital to consider the LG Note immediately due and payable, without presentment, demand, protest or (further) notice of any kind (other than notice of acceleration). Upon an event of default, interest shall accrue at a default interest rate of 24% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law.

The LG Note was offered and sold to LG Capital in a private placement transaction made in reliance upon exemptions from registration pursuant to Section 4(a)(2) under the Securities Act of 1933 (the “Securities Act”) and/or Rule 506 promulgated under the Securities Act. LG Capital is an accredited investor as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Odyssey Note

On May 7, 2019, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with Odyssey Capital Funding, LLC (“Odyssey”) for the sale of an 12% convertible redeemable note in the amount of $100,000 (the “Odyssey Note”).

The Odyssey Note bears interest at the rate of 12% per annum. All interest and principal must be repaid on May 7, 2020. The Odyssey Note is convertible into common stock at any time after the six-month anniversary of the Odyssey Note, at Odyssey’s option, at a price equal to 60% of the lowest closing trading price of the common stock during the twenty day period prior to conversion. The Odyssey Note may not be prepaid more than 180 days prior to its maturity date. In the event the Company prepays the Note in full during the 180 days prior to its maturity date, the Company must pay off all principal, interest and any other amounts owing multiplied by a premium ranging from 25% to 45%.

Odyssey has agreed to restrict its ability to convert the Odyssey Note and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of common stock. The Odyssey Note is a debt obligation arising other than in the ordinary course of business which constitute a direct financial obligation of the Company.

The Odyssey Note contains default events which, if triggered and not timely cured (if curable) by the Company, will result in the option by Odyssey to consider the Odyssey Note immediately due and payable, without presentment, demand, protest or (further) notice of any kind (other than notice of acceleration). Upon an Event of Default, interest shall accrue at a default interest rate of 24% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law.

The Odyssey Note was offered and sold to Odyssey in a private placement transaction made in reliance upon exemptions from registration pursuant to Section 4(a)(2) under the Securities Act of 1933 (the “Securities Act”) and/or Rule 506 promulgated under the Securities Act. Odyssey is an accredited investor as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND PLAN OF OPERATIONS

The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by, MyDx's audited annual financial statements and the related notes thereto as filed with the Securities and Exchange Commission ("SEC") on April 24, 2019. This discussion contains certain forward-looking statements that involve risks and uncertainties, as described under the heading "Forward-Looking Statements" in this quarterly report. Actual results could differ materially from those projected in the forward-looking statements. For additional information regarding these risks and uncertainties, please see the disclosure under the heading "Risk Factors" elsewhere in this quarterly report.

We believe that our assumptions are based upon reasonable data derived from and known about our business and operations and the business and operations of the Company. No assurances are made that actual results of operations or the results of our future activities will not differ materially from its assumptions. Factors that could cause differences include, but are not limited to, expected market demand for the Company's products and services and competition.

Overview

MyDx is a science and technology company that develops and deploys products and services in the following focus areas:

1) **Consumer Products** – smart devices and consumables

2) **Data Analytics** – pre-clinical chemical analysis and patient feedback ecosystem

3) **Biopharmaceuticals** – identifying 'green Active Pharmaceutical Ingredients™, (gAPI™) and corresponding formulations

4) **Software as a Service (SaaS)** – Software services for prescribers, patient groups, cultivators, and regulators

We are committed to addressing areas of critical national need to promote public safety, transparency and regulation in the various markets we serve.

The Company's first product, MyDx®, also known as "My Diagnostic", is a multiuse hand-held chemical analyzer made for consumers and professional users which feeds our data analytics platform and SaaS business. MyDx is intended to allow consumers to Trust & Verify® what they put into their mind and body by using our science and technology to test for pesticides in food, chemicals in water, toxins in the air, and the safety and potency of cannabis samples, which is our initial focus.

Business Plan

The Company is currently focused on 4 key business segments to service the cannabis industry.

1. Consumer Products

Smart Devices & Consumables

1) CannaDx™

- The cannabis industry's first hand-held cannabis sensor and analyzer with disposable single use inserts.
- Comes with a mobile app that acts as a 'virtual budtender'.
- Analyzes cannabis sample and provides a Total Canna Profile™ (TCP), a more complete chemical profile to include THC and the most prevalent cannabinoids and terpenes found in cannabis plants.
- Cannabinoids such as THC and CBD have been reported to bind the CB1 and CB2 receptors found throughout the human body and have been reported to provide relief to an array of symptoms, including pain, nausea, and inflammation to name a few. Terpenes, which have been reported to compound the effects of cannabinoids on the body via an "Entourage Effect", are also important in determining the overall physiological effects various cannabis chemical profiles.
- Enables users to log their ailments and side effects and tie those back to the exact chemical profile.
- Provides strain recommendations based on desired "relief" input based on crowdsourced community feedback.

2) Eco Smart Pen™ and Other Delivery Devices

- MyDx plans to develop additional smart hardware that gather user data, such as the Eco Smart Pen. MyDx plans to release the Eco Smart Pen in the first quarter of 2019.
- Integrated with Bluetooth as well as other technologies that will allow for mobile-app control, dose restrictions, safety controls, and usage statistics.
- We plan to OEM these product to third-party customers.

3) MyDx Tablet Edition

- MyDx plans to develop he first touchscreen kitchen tablet in the market with integrated MyDx sensor reading capability.
- Sensor lineup to include OrganaDx, AquaDx, and AeroDx.
- Company plans to offer CannaDx data portal management ability in MyDx Tablet Edition.

MyDx plans to evaluate the 510K FDA device approval process to leverage its consumer products and the ability of insurance companies to support sales of its smart devices and generate HIPPA compliant crowdsourced data.

2. Data Analytics

Pre-Clinical Chemical Analysis and Patient Feedback Ecosystem.

MyDx has four classes of data and algorithms:

1) User Data

- When users download the CannaDx mobile app, we may ask them put in personal details such as gender, location, height, weight, age etc. that we maintain while complying with HIPAA.

2) Chemical Composition Data

- This information is sourced from a number of inputs including the CannaDx Handheld’s Total Canna Profile (TCP), partner laboratories analyses, and branded pre-tested concentrates.

3) User Feedback

- Provided by users in our CannaDx mobile app as they try various products and record their experiences with those products.

4) Usage Statistics

- We plan to capture type, frequency, dosage, ailments relieved, and side effects.

MyDx plans to leverage this data, which combined is referred to as the Total Canna Profile™ (TCP), combined with our proprietary algorithms, to develop key insights into user behavior based on unique chemical profiles. Our goal is to track how a specific sample is expected to help relieve certain ailments and to validate the results.

3. Biopharmaceutical

Identifying ‘green Active Pharmaceutical Ingredients™’ (gAPI™) and corresponding formulations

1) Sale and License of Product Formulations

- MyDx plans to work with third party customers to license crowdsourced formulated chemical profiles that are expected to address a specific “relief” desired using its own proprietary formulas derived from our extensive dataset and algorithms.

2) **Sale of green Active Pharmaceutical Ingredients (gAPI™)**

- This division will also look to provide an organic source of extracted green Active Pharmaceutical Ingredients (gAPI™), such as a predefined terpene formulation, for consumer and industrial use.
- Given that certain classes of gAPI's such hemp derived CBD and terpenes might offer "relief" without the "high" THC provides, MyDx intends to partner with leaders in the industry to offer branded products without THC, akin to a "virgin" cocktail, if it finds that these formulations offer the benefits desired and the legal framework to sell them is viable.

4. SaaS (Software as a Service)

Software services for prescribers, patient groups, cultivators, and regulators

1) **MyDx App**

- Available in iOS and Android and controls the MyDx Analyzer.
- Tracks patient tested samples and physiological feedback.
- Prints a Certificate of Analysis, which includes patient feedback.
- Offers patients groups and their doctors with OEM software to track what the community is experiencing.
- Centrally hosted in our secure cloud based server.
- Will offer in App purchases for additional software subscription features.

2) **MYDX360**

- MyDx360 is a Software As A Service (SAAS)-based community engagement platform designed to help entrepreneurs develop, launch and track the effects of new formulated products on consumers to help penetrate their target markets more effectively.
- As part of the service, companies will choose from among MyDx's many chemical formulations that best align with the physiological response its target demographic is seeking. From there, MyDx will outsource the delivery of those formulations through licensed concentrate manufacturing facilities and provide customer-engagement support via its SAAS platform and MyDx smart devices such as the EcoSmartPen to acquire and analyze user feedback.
- Collectively, this suite of services will be called MyDx360.

3) **Software to Support Laboratory Marketing, Customer Service and Data Aggregation**

- MyDx will offer what we believe will be the premier lead generator and outsourced services provider for cannabis testing labs.
- Through certain assets MyDx expects to develop or acquire, as well as leads generated from our handheld analysis and smart devices, we believe MyDx will be positioned to become a world leader in cannabis laboratory marketing and services and as the largest "data holder" of tested cannabis and the associated chemical profiles tied to the ailment therapy.

Results of Operations

As shown in the accompanying consolidated financial statements, the Company realized net income of $305,070 and net income of $879,905, respectively, for the three months March 31, 2019 and March 31, 2018. The Company had an accumulated deficit of $39,670,860 and $39,965,231 respectively, as of March 31, 2019 and December 31, 2018.

Comparison of The Three Months Ended March 31, 2019 and 2018

Revenue

For the three months ended March 31, 2019 and 2018, the Company had licensing revenue of $0 and $4,130, respectively. For the three months ended March 31, 2019 and 2018, the Company had product revenue of $1,251 and $66,844 respectively. The decrease in revenue for the three months ended March 31, 2019 compared to 2018 was a result of a backlog of products not being shipped out. Due to a supply chain disruption, MyDx was unable to deliver finished units in the first quarter of 2019. These issues have since been resolved and deliveries are expected to resume in the beginning of the third quarter.

Cost of Goods Sold and Gross Profit

Gross profit as a percentage of net revenues for the three months ended March 31, 2019 and 2018 were (998%) and 75%, respectively. During the three months ended March 31, 2019 the Company had $1,200 in revenue and $16,883 in costs of goods sold. The Company has fixed costs of $15,000 that is contributing to the high cost of goods sold.

Operating Expenses

For the three months ended March 31, 2019, the Company incurred operating expenses in the amount of $495,147 compared to $530,990 for the three months ended March 31, 2018. These operating expenses were composed of research and development costs, sales and marketing and general and administrative expenses. The decrease mainly resulted from the decrease in research and development which were partially offset by the increase in sales and marketing and general and administrative expenses.

Research and Development Expenses

Research and development expenses primarily consist of engineering and product development, incurred in the design, development, testing and enhancement of our products. For the three months ended March 31, 2019, the Company expended $13,935 for various research and development projects for hardware, database, software and sensor development as compared to $233,090 for the three months ended March 31, 2018. The decrease of $219,155, or 94%, resulted primarily from the Company decreasing its research and development efforts.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of consulting fees for third-party services and general marketing expenses. For the three months ended March 31, 2019, the Company expended $54,290 as compared to $52,253 for the three months ended March 31, 2018. The increase of $2,037, or 4 %, resulted primarily from the Company resulted primarily from the Company increasing marketing efforts.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, wages and benefits, consulting fees, legal fees, accounting fees and general administrative expenses.

For the three months ended March 31, 2019, the Company expended $426,922 as compared to $245,647 for the three months ended March 31, 2018. The increase of $181,275, or 73.8%, resulted primarily from an increase in stock- based compensation and professional fees.

Other income (expense)

Other income decreased by $555,943, resulted primarily from a decrease in change in fair value of derivative liability. This was offset by an increase in derivative expense and change in fair value of warrant liability.

Liquidity and Capital Resources

Since its inception, capital raised by the Company has been used primarily for the Company's research and development efforts and to support its operations. As of March 31, 2019, the Company had remaining cash of $175,504 with a net working capital deficit of $11,280,134. As a result of the Company's significant operating expenditures and the lack of significant product sales revenue, we expect to incur losses from operations for the near future and will be required to seek additional capital to sustain our operations.

It is anticipated that we will continue to report negative operating cash flow in future periods, likely until one or more of our products generate sufficient revenue to cover our operating expenses. If any of the warrants are exercised, all net proceeds of the warrant exercise will be used for working capital to fund negative operating cash flow.

Our cash balance of $175,504 will not be sufficient to fund our operations for at least the next 12 months. Additionally, if we are unable to generate sufficient revenues to pay our expenses, we will need to raise additional funds to continue our operations. We have historically financed our operations through private equity and debt financings. We do not have any commitments for financing at this time, and financing may not be available to us on favorable terms, if at all. If we are unable to obtain debt or equity financing in amounts sufficient to fund our operations, if necessary, we will be forced to suspend or curtail our operations. In that event, current stockholders would likely experience a loss of most or all their investment. Additional funding that we do obtain may be dilutive to the interests of existing stockholders.

To the extent, we raise additional capital by issuing equity securities or obtaining borrowings convertible into equity, ownership dilution to existing stockholders will result and future investors may be granted rights superior to those of existing stockholders. The incurrence of indebtedness or debt financing would result in increased fixed obligations and could also result in covenants that would restrict our operations. Our ability to obtain additional capital may depend on prevailing economic conditions and financial, business and other factors beyond our control. The Company cannot provide any assurances that it will be able to raise the additional capital needed to fund its operations, or if the Company is able to raise such additional capital, that any such financing will be on terms which are beneficial to the existing shareholders.

Working Capital

	March 31, 2019	December 31, 2018
Current assets	$ 333,460	$ 216,729
Current liabilities	11,613,594	12,643,275
Working Capital Deficit	$ (11,280,134)	$ (12,426,546)

Current assets for March 31, 2019 increased compared to December 31, 2018 primarily due to an increase in cash and inventory.

Current liabilities for March 31, 2019 decreased compared to December 31, 2018 primarily due to a decrease in Warrant liability. This was offset by an increase in accounts payable, customer deposits, accrued liabilities, and an increase in convertible notes payable.

Cash Flows

	Three Months Ended March 31, 2019	2018
Net Cash Provided by (Used in) Operating Activities	$ (127,194)	$ (81,438)
Net Cash Provided by Financing Activities	200,000	-
Net Change	$ 72,806	$ (81,438)

Net Cash Provided by (Used in) Operating Activities

Our primary uses of cash from operating activities include payments to consultants for research and development, compensation and related costs, legal and professional fees and other general corporate expenditures.

Cash used in operating activities consist of net income adjusted for certain non-cash items, primarily equity-based compensation expense, the change in fair value of derivative liabilities due primarily to the mark to market of the Company's derivatives embedded in the convertible notes, during the three months ended March 31, 2019, as well as the effect of changes in working capital and other activities, and the change in fair value of warrant liability which was affected by the cashless exercise.

Net Cash Provided by Financing Activities

For the three months ended March 31, 2019 and 2018, financing activities provided cash of $200,000 and $0.

Going Concern

At March 31, 2019, we had an accumulated deficit of $39,670,860. We expect to incur further losses in the development of our business, all of which casts substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to generate future profitable operations and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Item 303(a)(4) of Regulation S-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS.

The Company is not required to provide the information required under this Item 3.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q, to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure, and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are not effective as of March 31, 2019, due to the fact that management has not fully remediated the material weakness described in our Current Report on Form 10-K filed with the Securities and Exchange Commission on April 25, 2019.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

In the ordinary course of business, we are subject to claims and litigation, including claims that we infringe third party patents, trademarks and other intellectual property rights. Although we believe it is unlikely that any current claims or actions will have a material adverse impact on our operating results or our financial position, given the uncertainty of litigation, we cannot be certain of this. Moreover, the defense of claims or actions against us, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Our involvement in any patent dispute, other intellectual property dispute or action to protect trade secrets and know-how could result in a material adverse effect on our business. Adverse determinations in current litigation or any other litigation in which we may become involved and regulatory non-compliance, including with respect to export regulations, could subject us to significant liabilities to third parties or government agencies, require us to grant licenses to or seek licenses from third parties and prevent us from manufacturing and selling our products. Any of these situations could have a material adverse effect on our business.

All Quality & Services, Inc. Matter

On October 18, 2018, ALL QUALITY & SERVICES, INC., a California corporation ("AQS"), filed a complaint (the "AQS Complaint") in the Superior Court of California, County of Alameda against the Company alleging breach of contract relating to certain purchase orders and purchases related thereto. On February 14, 2019, the Company settled the matter with AQS by paying $25,000 cash to AQS and agreeing to pay a minimum of $15,000 each month until 2,000 units have been purchased from AQS which shall not be later than March 1, 2021.

Lawsuit Against Jerome Dewald and Skip Sanzeri

As previously disclosed, in July 2017, the Company and its CEO (collectively, the "Plaintiffs") filed a lawsuit against Jerome Dewald and Skip Sanzeri. On or about July 9, 2018, the Company settled with Mr. Dewald and has dismissed the matter with prejudice as to Mr. Dewald. On or about July 25, 2018, the Company settled with Mr. Sanzeri, which settlement calls for settlement payments of $1,000 per month over the course of five months, after which the Company will dismiss the matter as to Mr. Sanzeri and fully dispose of the lawsuit. As of April 23, 2019, all five $1,000 payments have been made to the Company and the matter has not yet been dismissed.

Lawsuit Against Bright Light Marketing, Inc.

On March 10, 2017, the Company and Bright Light Marketing, Inc. ("BLM") entered into a Settlement Agreement (the "BLM Settlement"). Pursuant to the BLM Settlement, BLM was to pay the Company a total of $217,500 over the twelve (12) months following March 13, 2017. BLM's first payment of $100,000 was due within thirty (30) business days of the signing of the BLM Settlement. BLM was then to pay the Company $10,000 per month on the first day of the next eleven (11) months and the final payment of $7,500 was due on March 1, 2018.

As of January 22, 2018, BLM had not made any payments to the Company pursuant to the BLM Settlement. On that date, the Company filed a complaint in Superior Court of California against BLM to enforce the BLM Settlement amount of $217,500 and to collect interest at the default rate of $47.67 per day. In addition, the Company is seeking court costs and attorney's fees. BLM answered the complaint on March 12, 2018. The initial case management conference was in May 2018. Defendant did not make an appearance and the court set a continued case management conference for July 24, 2018, where the court struck the answer for BLM. The court set trial for May 13, 2019 at 8:30 a.m. and required MyDx's counsel to reach out to defendant for settlement purposes.

Item 1A. RISK FACTORS

We believe there are no changes that constitute material changes from the risk factors previously disclosed in our Annual Report on Form 10-K, filed with the SEC on April 25, 2019.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of the Company's equity securities during the quarter ended March 31, 2019, that were not otherwise disclosed in a Current Report on Form 8-K. The Company has not repurchased shares of its Common Stock

Item 3. DEFAULTS UPON SENIOR SECURITIES

There has been no default in the payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

Item 4. MINE SAFETY DISCLOSURES

None.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibits:

31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MYDX, INC.

Dated: June 7, 2019

By: /s/ Matthew Bucciero
Matthew Bucciero
Principal Executive Officer and
Chief Financial Officer
(signed both as an Officer duly authorized to sign on behalf of the Registrant and Principal Financial Officer and Chief Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Bucciero, certify that:

1. I have reviewed this quarterly report on Form 10-Q (hereinafter referred to as “this report”) of MyDx, Inc. (hereinafter referred to as “the registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to affect, the registrant’s internal control over financial reporting; and;

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions);

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: June 7, 2019

By: /s/ Matthew Bucciero
Matthew Bucciero
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Bucciero, certify that:

1. I have reviewed this quarterly report on Form 10-Q (hereinafter referred to as "this report") of MyDx, Inc. (hereinafter referred to as "the registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting; and;

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 7, 2019

By: /s/ Matthew Bucciero
Matthew Bucciero
Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of MyDx, Inc., a Nevada corporation (the "Company"), on Form 10-Q for the quarter ended September 30, 2018, as filed with the Securities and Exchange Commission (the "Report"), Matthew Bucciero, Chief Executive Officer and Chief Financial Officer, does hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. ss. 1350), that to her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 7, 2019

/s/ Matthew Bucciero